

# HOUSE BILL REPORT

## SSB 5903

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### As Passed House

April 11, 1997

**Title:** An act relating to the use of local special excise taxes for the operation of performing and cultural arts facilities.

**Brief Description:** Authorizing the use of local hotel-motel taxes for operation of performing and cultural arts facilities.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators Hale, Morton, Wood and Winsley).

### Brief History:

#### Committee Activity:

Government Administration: 4/21/97, 4/4/97 [DP].

#### Floor Activity:

Passed House: 4/11/97, 77-19.

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## HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** Do pass. Signed by 7 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Dunn; Reams; Smith; L. Thomas and Wensman.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunshee; Murray and Wolfe.

**Staff:** Steve Lundin (786-7127).

**Background:** Counties and cities are authorized to impose a wide range of excise taxes on hotel/motel room rental charges.

Every county and city may impose a basic excise tax on hotel/motel room rental charges of up to 2 percent, that is credited against the state's sales tax, with receipts earmarked for a variety of uses, including the construction and maintenance of stadia and performing arts facilities, and to promote tourism.

In addition, individual cities and counties have been authorized to impose a variety of other special excise taxes on hotel/motel room rental charges, with the proceeds

earmarked for a variety of different purposes. Unlike the basic local government excise tax on hotel/motel room rental charges, these special excise taxes are in addition to the sales and use taxes, and any other hotel/motel tax, that are imposed on hotel/motel room rental charges.

Any city with a population of at least 30,000, that is located in a county with a population of at least 100,000 but less than 145,000, may impose a special excise tax on hotel/motel room rental charges not to exceed 2 percent. Proceeds from this tax may only be used to finance the construction and operation of convention center facilities. At present only Richland and Kennewick meet this description.

**Summary of Bill:** Receipts from the special excise tax on hotel/motel room rental charges that a city with a population of at least 30,000, that is located in a county with a population of at least 100,000 but less than 145,000, may impose are expanded to include the construction and operation of performing and cultural arts facilities.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This language was inadvertently dropped from the legislation last year. This allows Richland to finance construction and operation of a performing arts and cultural arts center.

**Testimony Against:** The Richland hoteliers oppose the bill.

**Testified:** Senator Hale, prime sponsor; and Jim Rowland, city of Richland (pro). (Con) Becky Bogart, Washington State Hotel/Motel Association.